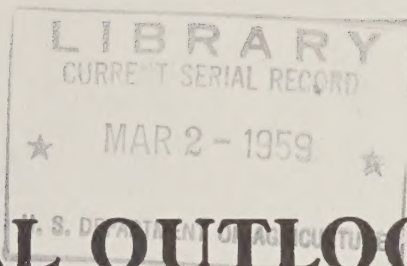


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The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.



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Farmers are producing far more grains and soybeans than are likely to be used in 1958-59 and a buildup in carryover stocks is expected.

Three-year downtrend in wheat stocks will be reversed this year. Huge 1958 wheat crop, estimated at 1.4 billion bushels as of August 1, plus July 1 carryover of 881 million, plus allowance of 10 million for imports, adds up to a total supply of 2.3 billion bushels. This tops the former 1956-57 record by 267 million.

Wheat disappearance in 1958-59 is likely to be about the same as in 1957-58. The big crop probably means a 420 million bushel boost in the carryover to about 1,300 million next July 1.

Feed grain stocks are expected to increase for seventh consecutive year in 1958-59. This year's barley crop is a record, corn and sorghum grain crops are second largest, oats are above average. Total is a little above last year's record. When next October's carryover...estimated at a record of about 61 million tons...is added, total supply tops last year's record by 7%.

More feed grains may be fed livestock next year but the total will fall short of this year's production. Carryover October 1, 1959 is likely to be up from this October.

Soybean production is continuing its rapid climb this year. 1958 crop of 536 million bushels is 12% above 1957, 81% above 1947-56 average. Including carryover, total supply is 66 million more than a year earlier. Use of soybeans probably will rise in 1958-59 but year-end carryover will set a new record.

Edible fats and oils will be generally plentiful in 1958-59. In addition to big soybean supply, cottonseed and lard production is expected to be up some and the carryover will be larger. Total supply of edible fats, oils and oilseeds (oil equivalent basis) is expected to rise a tenth from 11.7 billion pound level of 1957-58.

Use of fats and oils in this country probably will rise at about the same rate as population...a considerably slower rate than the supply will increase. Exports are likely again to be large though competition in world markets will be keen because of ample supplies in several foreign countries.

Cotton is one of the few major commodities for which a sizeable reduction in stocks is likely in 1958-59. This year's crop, estimated in August at 11.5 million running bales, is above last year's. Although less than last year is likely to be used in this country and exported, disappearance will still exceed production. Carryover August 1, 1959 probably will be down about a million bales from the 8.7 estimated for this year and well below the 1956 peak of 14.5 million.

High crop production forecast for this year is due to increased yields...less cropland is being used for crops than in any year since 1917. Yield per acre index for 28 leading crops is 8% above last year...37% above 1947-49 average. Total crop production for 1958 is expected to be 7% above last year's record level.

LIVESTOCK. Production of meat animals is increasing as the result of big supplies of feed, good pastures and relatively high prices. But marketings are not likely to rise until next year.

Hog slaughter this fall will average about the same as a year ago. Prices also are likely to be at last year's levels. However, prospects for a larger fall pig crop indicates that in early 1959 hog marketings will begin to rise and prices are likely to fall to lower levels than in the past year or so.

Marketings of fed cattle will be heavy this fall, and no more than a small seasonal increase in prices is in prospect. Slaughter of cattle off grass, on the other hand, will continue lower than a year ago, though increasing seasonally. Buildup in cattle number now taking place will not show up in substantial increases in marketings until 1960 or later.

DAIRY. Numbers of milk cows dropped $3\frac{1}{2}\%$ from June 1957 to June 1958, continuing the decline of the last 14 years. This helped prevent milk production the first half of this year from rising above a year earlier. However, favorable prices for milk compared with feed, plentiful feed supplies and good pastures are likely to boost the last half total a little above 1957.

EGGS. Production is likely to show further increases over a year earlier the rest of 1958. The size of the laying flock is increasing. By January 1, layers are likely to number 5% above a year earlier and be laying at a higher rate per bird. Increasing output will limit seasonal price advance this fall. Prices probably will be below a year earlier during the last quarter.

FRUIT. The peach and apple crops this year are above average but production of other deciduous fruits is below. Supplies of citrus are lighter than usual this summer as are stocks of canned and frozen citrus juices. Stocks of most canned deciduous fruits also are down from a year ago.

POTATOES. August estimates place the fall potato crop at 11% larger than last year, 14% above average. The sweetpotato crop is down slightly and well below average.